

Message Text

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PAGE 01 THE HA 05173 01 OF 02 211741Z

42

ACTION EUR-12

INFO OCT-01 ARA-10 IO-13 EURE-00 ISO-00 INRE-00 SSO-00

NSCE-00 USIE-00 CIAE-00 DODE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 SAJ-01

EB-07 COME-00 TRSE-00 SIL-01 LAB-04 ACDA-10 AF-08

DHA-02 AID-05 SAM-01 MCT-01 FRB-01 /118 W

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O R 211622Z SEP 76

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC IMMEDIATE 9003

INFO EC COLLECTIVE 84

AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY LISBON

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY REYKJAVIK

AMCONSUL CURACAO

USDEL MBFR VIENNA

USNMR SHAPE

USMISSION USUN NEW YORK

UNCLAS SECTION 1 OF 2 THE HAGUE 5173

E.O. 11652: NA

TAGS: PFOR PGOV ECON EFIN NL

SUBJECT: SPEECH FROM THE THRONE OPENS PARLIAMENTARY YEAR

1. IN TRADITIONAL CEREMONY OPENING PARLIAMENTARY YEAR
QUEEN JULIANA SET OUT GOVERNMENT'S PROGRAM IN SPEECH FROM THE
THRONE SEPT 21. STRESSING CENTER-LEFT COALITION GOVERNMENT'S
COMMITMENT TO "EQUALIZING OPPORTUNITIES AND REDUCING DISPARITIES
IN INCOME LEVELS," QUEEN CAUTIONED AGAINST EXCESSIVE DEMANDS
AND EXPECTATIONS, NOTING THAT BOTH INDUSTRY AND LABOR WILL
NEED TO SHOW RESTRAINT. "GREAT CARE IS CALLED FOR TO PREVENT
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PAGE 02 THE HA 05173 01 OF 02 211741Z

RECOVERY AGAIN BEING JEOPARDIZED. IF WE DO TAKE CARE, IT WILL

BE POSSIBLE TO KEEP THE RISE IN PRICES AT A LOWER LEVEL THAN HAS PROVED ATTAINABLE IN ANY YEAR SINCE 1970." SPEECH REVEALED LITTLE THAT IS NEW, ONLY REHASHING WELL-KNOWN GOVERNMENT POLICIES AND PROGRAMS. IN ONLY POSSIBLE REFERENCE TO LOCKHEED AFFAIR, QUEEN OPENED HER ADDRESS BY SAYING: BEGIN QUOTE AT THIS TIME OUR MINDS UNDOUBTEDLY GO BACK TO THE DIFFICULT PERIOD WHICH IS NOW BEHIND US. CONSCIOUS OF OUR COMMON RESPONSIBILITY, LET US TODAY LOOK RATHER AT THE MANY THINGS THAT REMAIN FOR US TO DO. END QUOTE

2. FOLLOWING ARE HIGHLIGHTS FROM SPEECH AND FROM BUDGET RELEASED TODAY:

A. FOREIGN AFFAIRS AND DEFENSE: USING THEME WHICH WE HAVE HEARD FROM MILITARY AND CIVILIAN DEFENSE EXPERTS RECENTLY, QUEEN SAID THAT "THE CONTRIBUTION WHICH THIS COUNTRY IS MAKING TO THE DEFENSE OF THE ALLIANCE IS IN EVERY WAY A REASONABLE ONE. THE STEEPLY RISING COST OF THIS DEFENSE, HOWEVER, COMPELS A STRENGTHENING OF COOPERATION AND AN IMPROVEMENT IN THE DIVISION OF TASKS WITHIN THE ALLIANCE." GOVERNMENT CALLS FOR INCREASING DETENTE, BUT POINTED OUT THAT IT CANNOT BE ACHIEVED UNLESS ALL STATES PUT INTO PRACTICE PRINCIPLES OF HELSINKI. QUEEN SAID THAT EC-9 NEEDS TO STRENGTHEN ITS INTERNAL COHESION, IMPROVE COORDINATION IN ECONOMIC POLICIES AND TO WIDEN AND DEEPEN POLITICAL COOPERATION. COMMENTING ON SOUTHERN AFRICAN SITUATION, QUEEN SAID GON VIEWS SITUATION WITH DEEP DISMAY AND THAT IT SHALL "DO ITS UTMOST TO END THE SYSTEM OF APARTHEID."

B. DEVELOPMENT AID: NOTING THAT MANY DUTCHMEN FEEL THAT TOO MUCH IS BEING DONE IN THIS AREA AT A TIME OF ECONOMIC DIFFICULTY, QUEEN SAID GON BELIEVES THAT IT CAN RELY ON PEOPLE TO MAKE THE SACRIFICE SINCE AID IS DIRECTED TO POOREST COUNTRIES AND POPULATION GROUPS IN THE WORLD. A NEW POLICY MEMORANDUM IS BEING PRESENTED TO DUTCH PARLIAMENT TODAY ON DEVELOPMENT AID, CONTINUING POLICY OF PROVIDING 1.5 PERCENT OF NATIONAL INCOME FOR AID PROGRAMS.

C. SOCIAL AND POLITICAL PROGRAMS: GON PROMISES TO SUBMIT BILLS SHORTLY FOR THE MODERNIZATION OF LOCAL GOVERNMENT AND FOR GREATER DECENTRALIZATION IN WELFARE SERVICES. QUEEN ACKNOWLEDGED UNCLASSIFIED

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PAGE 03 THE HA 05173 01 OF 02 211741Z

INCREASING OBJECTIONS AND RESISTANCE TO PROGRAMS WHICH ENCOURAGE DEMOCRATIZATION AND CO-DETERMINATION, BUT SAID THAT GOVERNMENT WAS CONVINCED OF THE NEED FOR INCREASING PARTICIPATION OF GENERAL PUBLIC IN DECISIONS THAT AFFECT THEIR DAILY LIVES. AS PART OF A GENERAL REVISION OF THE CONSTITUTION, BILLS WERE BEING SUBMITTED TO PROVIDE SAFEGUARDS FOR INDIVIDUAL AND SOCIAL RIGHTS AND FOR ELECTION AND THE ORGANIZATION OF THE STATES GENERAL. ONLY SPECIFIC MENTIONED IN THE SPEECH WAS A PROPOSAL

TO DISSOLVE THE FIRST CHAMBER OF THE STATES GENERAL NEXT
SPRING AND HAVE ELECTIONS FOR THAT BODY HELD AT THE SAME TIME
AS THOSE SCHEDULED FOR SECOND CHAMBER IN MAY 1977.

D. INTERNAL SECURITY: A GENERAL REVISION OF THE LAWS
GOVERNING THE SALE OF FIREARMS IS EXPECTED, AND THE GON IS
ALSO PREPARING A BILL WHICH WOULD ENCOURAGE THE COURTS TO
INCREASE THE USE OF FINES RATHER THAN RESORT TO IMPRISONMENT.
POINTING OUT THAT DURING THE LAST THREE YEARS (SINCE THIS
CABINET TOOK OVER) THE GOVERNMENT HAS HAD TO DEAL WITH TERRORIST
ACTIONS WHICH INVOLVED THE TAKING OF HOSTAGES ON SIX OCCASIONS,
THE GON WAS WORKING BOTH NATIONALLY AND INTERNATIONALLY TO
IMPROVE PREVENTIVE MEASURES AND TO COORDINATE THE ANTI-
TERRORISM BATTLE.

E. ECONOMIC: THE NATION'S ECONOMIC TROUBLES WERE THE
CENTER OF THE QUEEN'S SPEECH. SHE SAID THAT THE GOVERNMENT'S
ECONOMIC POLICY IS BUILT AROUND RETAINING EXISTING JOBS,
CREATING NEW ONES AND CURBING INFLATION. "ONLY IF IT (THIS
POLICY) IS SUCCESSFUL WILL IT BE POSSIBLE TO SAFEGUARD THE
PUBLIC SERVICES..." THE QUEEN ANNOUNCED NO NEW GOVERNMENT
ECONOMIC MEASURES BUT REHASHED EXISTING GOVERNMENT PROGRAM OF
TAX CUTS, A SELECTIVE INVESTMENT FUND AND "RESTRAINT" IN THE
GROWTH OF THE COLLECTIVE SECTOR. THE MACRO ECONOMIC FORECAST
AND BUDGET NOTE RELEASED COROLLARY TO THE QUEEN'S SPEECH
PREDICT A MODERATE ECONOMIC RECOVERY FED ALMOST ENTIRELY BY
2 BILLION GUILDERS (\$1 EQUALS 2.60 GUILDERS) OF INVESTMENT-
STIMULATING FUNDS AND GROWTH OF EXPORTS. REAL GNP IS EXPECTED
TO INCREASE 4.5 PERCENT IN 1977, BUT UNEMPLOYMENT WILL

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PAGE 01 THE HA 05173 02 OF 02 211751Z

42

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O R 211622Z SEP 76
 FM AMEMBASSY THE HAGUE
 TO SECSTATE WASHDC IMMEDIATE 9004
 INFO EC COLLECTIVE 85
 AMEMBASSY ANKARA
 AMEMBASSY ATHENS
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UNCLAS SECTION 2 OF 2 THE HAGUE 5173

DECLINE ONLY SLIGHTLY FROM 230,000 TO 215,000. BUSINESS
 INVESTMENT IS EXPECTED TO SHOW ITS FIRST INCREASE SINCE 1974,
 WITH 8 PERCENT GROWTH. INFLATION IS EXPECTED TO FALL TO 6.5
 PERCENT.

F. BUDGET: GOVERNMENT SPENDING WILL CONTINUE TO GROW
 FASTER THAN GNP, REACHING 86.8 BILLION GUILDERS IN 1977.
 THE DEFICIT WILL INCREASE FROM 13.6 TO 14.6 BILLION GUILDERS
 DESPITE A SHARP DECLINE IN ANTICYCLICAL PROGRAMS TO 5.1 BILLION
 GUILDERS. THE FINANCING REQUIREMENT IS ESTIMATED AT 9 BILLION
 GUILDERS AND THE BULK OF IT WILL PROBABLY HAVE TO BE MET BY
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PAGE 02 THE HA 05173 02 OF 02 211751Z

MONETARY FINANCING. FOLLOWING TABLE SUMMARIZES KEY BUDGET
 CHAPTERS FOR 1976 AND 1977:

	1976		1977	
	MILLION		MILLION	
	GUILDERS	PERCENT	GUILDERS	PERCENT
FOREIGN AFFAIRS (INCL.				
DEV. ASST)	2423	3.1	2639	3.0
JUSTICE	2022	2.6	2210	2.6
INTERNAL AFFAIRS	3853	5.0	4330	5.0
EDUCATION & SCIENCES	16981	21.8	18245	21.1
NATIONAL DEBT	5244	6.7	6374	7.4
FINANCE	1620	2.1	1846	2.1
DEFENSE	7681	9.9	8394	9.7
HOUSING	6977	9.0	7405	8.6
TRANSPORT & WATERWAYS	6297	8.1	7214	8.3
ECONOMIC AFFAIRS	1269	1.6	1938	2.2
AGRICULTURE & FISHERS	1742	2.2	1788	2.1
SOCIAL AFFAIRS	6847	8.8	9155	10.5

CULTURE,RECREATION &

SOCIAL WORK 7340 9.4 8200 9.5

HEALTH AND ENVIRONMENT 2646 3.4 2937 3.4

GOVERNMENT'S CUTBACKS IN GROWTH OF EXPENDITURE SEEM TO HAVE
BEEN WIDELY SPREAD AND NOT CONCENTRATED ON ANY PARTICULAR
SECTOR OF BUDGET, ALTHOUGH DEFENSE, HOUSING AND EDUCATION AND
SCIENCE SEEM TO HAVE SUFFERED MORE THAN OTHERS.

3. COPIES OF THE SPEECH FROM THE THRONE AND 1977 BUDGET
MEMORANDUM ARE BEING POUCHED TO THE DEPT.
GOULD

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Message Attributes

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